**CIRM RFA-07-01**

# APPLICATION # CL1-00514-1

## STAFF ANALYSIS

### FEASIBILITY:

Project Scope: The project will renovate an existing warm shell space located on the fourth floor and sixth floor of an existing building. The fourth floor renovation is estimated to be 668 sq ft (for purposes of this analysis we assume this figure represents assignable square feet (asf)) and an additional 336 sq ft (assume asf) for the fit out of vivarium space.

The proposed lab project will feature eight tissue culture hood work stations, space for refrigerators, a refrigerated centrifuge, and additional equipment space including two microscopy stations. Renovations will include data ports, HVAC, electricity and mechanical installation.

The proposed vivarium project requires HVAC, electrical, mechanical and plumbing as well as walls, floors and ceilings.

Project Management: The proposal identifies construction management processes that are in place at the institution with appropriate institutional management support.

### COST:

The total construction cost is estimated at $840,029. The construction contract estimate for both the lab and vivarium space is $583,122 with additional institutional-based work estimated at $9,091 for a total of $592,213. The design fees, administrative costs and project contingency total $247,816 and represent 41 percent of the construction amount. This amount exceeds the RFA budget guidelines of 25 percent by an amount of $99,763. The applicant does not anticipate using the construction contingency in the amount of $78,128.

The applicant did not include the square footage numbers on the budget table provided so the calculation has been included in this analysis. The overall cost per asf, assuming 1,004 asf, for the renovation work is $837. To convert this to a comparable figure for gross square feet (gsf) in a typical research-intensive building, one would assume an overall building efficiency of assignable-to-gross area of 60 percent. Therefore, we propose to use the gross square footage number provided, 1,606 gsf. Using this gross area, the cost per gsf is $523/gsf. This provides a more meaningful comparison to new laboratory building construction costs. We conclude that the average cost for new laboratory construction would be about $600/gsf, excluding land and site utilities. This amount would vary widely within California, but is being used here as an indicator of new construction value for comparative purposes. Based on this comparison, we

conclude that the renovation work represents about 87 percent of the cost of new laboratory space. Capital funding guidelines indicate that costs should not exceed about 65 percent of new construction in order to be considered a reasonably good investment to provide new hESC laboratory space.

The applicant indicates that the shared laboratory would be able to accommodate the NIH-free laboratory space needs for 14 Principal Investigators (PIs) located at this site along with others from regional educational institutions. The cost per institutional-based PI would be about $60,000. Based on CIRM funding only (construction and equipment) the cost per institutional-based PIs is $70,471.

The applicant does commit to address any cost overrun issues.

**TIMELINE:**

The project schedule indicates that preliminary plans will begin in July 2007 with working drawings completed and approved in September 2007. Occupancy would occur in February 2008 assuming a July 2007 award.

**INSTITUTIONAL COMMITMENT:**

The applicant provides no matching funds for construction, however, does make a commitment of two pieces of equipment purchased after January 2005 for $280,052 and a Whitter Foundation grant of $200,000 for a total of $480,052. The applicant has also made available 440 square feet of lab space for mouse embryonic stem cell research. Although not mentioned in the institutional commitment section, this additional lab space that will be used in connection with should be noted as being an additional component of the institutional commitment to hESC research.

**HISTORICAL PERFORMANCE:**

Data for three projects undertaken between 2004 and 2007 were submitted. The first project was the construction of a 200,000 sq ft lab building which will not serve as a comparable. Using in-house forces for the other two projects and ranging in cost from $6 million to a cost uncertain as the project was a tenant improvement at on off-site location. The applicant has utilized all of the construction projects in the last four years and demonstrates an ability to bring a project in on time and on budget with limited change orders required.

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**RESPONSIVENESS:**

Shared Laboratory: The applicant indicates that the proposed lab project of 668 sq ft in combination with the existing lab space of 440 sq ft for a total of 1,108 will support the stem cell work of thirteen institutional based PIs.

Techniques Course: The applicant has not requested funding for a techniques course.

## Facilities Working Group Issues

- **Matching Funds --** How will the Facilities Working Group resolve the fact that the amount budgeted for design fees, administrative costs and contingency exceed the amount allowed in the RFA by $99,763?

The grant management office will need to confirm that all conditions of the grant as indicated in the Grants Administration Policy have been met. This would include confirming that all past work is consistent with grant requirements for prevailing wage and other construction-related requirements. This includes confirmation that equipment funds are budgeted pursuant the Grants Administration Policy as adopted December 7, 2006.